



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

to be had at the Repository, School-street; a *New Spelling-Book*, containing 60 tablets, price 5s. Od. Also a *New Reading Book*, containing 100 tablets, price 8s. 4d. One copy of each suffices for a large School, conducted on the improved system of Education.

On sale also at the Society's Repository, School-street.—

	s. d.
Slates, 8 inches by 6 at per dozen	2 6
... 11 ... 7 3 0	
... 12 ... 8 3 6	
Slate Pencils 6 Inches to 7 inches long per thousand	10 10
... 4 inches to 5 per do.	5 5
... 3 ... 4 4 2	

Also Pencil Cases, &c.

Paper for Writing with suitable
ruling, per ream 14 6

The Society will most willingly dispose of their books, stationery, &c. to Schools of every description, without any distinction, on account of the peculiar manner in which such Schools, may be conducted; but being desirous of obtaining the most accurate information, upon the general state of instruction, in this country, in order to enable them to adopt the best practicable means, "for promoting the education of the Poor of Ireland," most earnestly request, that all persons applying for articles disposed of by them, at reduced prices, may send answers, in writing, to the following queries, with such other information, respecting the circumstances of their Schools, and the situation of the neighbouring poor, as they may deem useful.

QUERIES.

1. What is the name of the School?
2. What Parish and County?
3. What is the nearest Post-Town?
4. When was the School established?
5. How many Scholars? { Male?
Female?
6. Under whose direction is the School placed? Whether of an individual or a Committee? State the name.
7. How many masters and mistresses are paid, and what is the amount of their salaries?
8. What is the probable annual income? State how it arises.
9. Do the Scholars pay any thing for their education? If so, what sums weekly, or quarterly?
10. Is the School held daily, weekly, or otherwise?
11. Are the Sacred Scriptures, used in

BELFAST MAG. NO. LXXXII.

the School, and if so, has the edition used, any Note or Comment?

12. What other books, are used in the School, for the purpose of instruction?

13. Is any Catechism taught in the School? if any, what?

14. Is there any distinction, on account of religious opinions, in managers, instructors, or scholars?

BANK NOTES.

At the request of the writer, we republish in our pages the following letter, on a subject which has often been noticed in the Commercial Report.

To the Editor of the Ulster Recorder.

Sir,—Your contemporary the *Newry Telegraph* now comes to a subject in his review of political events, of the most vital importance to the British nation at large; a subject in which every individual in the country has his interest more or less involved; that is, the present state of the circulating medium. He has laboured hard, but with considerable ingenuity to prove that the present great disparity between bank notes and the precious metals, is not owing to a depreciation of bank notes, but to a great rise in the price of gold and silver bullion. It may perhaps appear to many of your readers, that it is unimportant to them, to which of those causes the disproportion may be attributed, and that while bank notes procure for us the necessities of life, we need not lament the dearth or scarcity of gold and silver. Were this country entirely unconnected with other nations, I would agree with him, that paper might, as a circulating medium, answer every purpose as well as the metals; but in our present situation, as a nation of merchants and manufacturers, our very existence depending upon our connexions with other countries, I am obliged to view the matter in a very different light; and on this occasion, as well as in some other points of his political review, I shall, with great deference to his character and abilities, endeavour to shew the fallacy of your contemporary's reasoning.

It must be admitted by him, that every article rises or falls in value, in proportion to the abundance or scarcity of that article at market; and that we have no other mode of ascertaining the value of any commodity, but by comparing it with

—

*another, may be drawn from his own reasoning on the subject. He has said, that "by a solitary comparison of bank notes with gold, no sound deduction can be formed as to the relation which a paper currency may have with other valuable articles in life;" but he has not made the comparison which he has himself admitted to be necessary, and throughout the whole of his disquisition, he has taken the effect for the cause. He has gone at great length into a discussion of the comparative value of gold as money and gold as bullion; but he has forgotten to state, that the value of gold was fixed at the mint, in a proportion to that of silver; and he might have saved himself much trouble, had he merely stated that the mint price of silver was fixed at 5s. 2d. per oz. and that of gold at £3 17s. 10½d. that when the weight and value of money was fixed by the government, the pound of silver was ordered to be coined into 62 pieces, called shillings, and the pound of gold into 44½ pieces called guineas, and that when an exchange should be made, 21 of the silver pieces should be given for one of the gold pieces. And if at any future period, silver became scarcer than gold, then fewer of those silver pieces would purchase gold in bullion; and, vice versa. In the year 1728, a new arrangement was made between the gold and silver coin, and the proportion then fixed was as 1 to 15·2; but from the increase of the East India and China trade, silver became scarce, and the proportion of bullion in the market was often as 1 to 14·5, by which means any silver that was coined into shillings were melted down as soon as they made their appearance, and considerable inconvenience arose to the people for want of change; from this circumstance it was that the Birmingham shillings were allowed to pass current, though not more than the half of the value of the mint shilling. This disproportion between gold and silver has continued during all the present reign, as few shillings coined in that reign, have got leave to circulate. But such disproportion bears no kind of relation to the subject in hand, as it is not the comparative value of gold and silver, but the comparative value of bank notes with both, that is the point at issue.

Granting then that gold and silver are merely articles of trade, that like all other articles of commerce, they fluctuate in value, and that they are now so scarce commodities in the country, that they bear

a much higher price in the market than they do at the mint. The inquiry is, why and from what cause have they risen to their present price, and whether has gold and silver risen in price, or bank notes fallen in value? To prove that the latter proposition is the fact, and that bank notes have suffered a very material depreciation, shall be my object in this essay, and in doing so, I shall neither compare gold with silver, nor bank notes with either, but shall endeavour to point out the fact, and also the original cause.

Most intelligent writers have agreed, that labour is the proper measure of the value of money; and that as labour rises in price, money falls in value. Others have considered the prime necessities of life to be as good a criterion by which to judge of the value of money. I am sensible that both are liable to objection, but at the same time, I suppose it is impossible to find any other which is not liable to greater objections, and I shall therefore take both as being nearest to the point; and as I attribute to the same cause the dearth of labour and provisions, and also the scarcity and consequently the enhanced price of gold and silver bullion, I flatter myself that I shall make good my proposition, that bank notes, which are now the only circulating medium, are depreciated in value.

A bank note will not at the present day purchase as much provisions, nor pay for the same quantity of labour which the same sum would have done eighteen or twenty years ago. Now there must be some cause for this, and the discovery of the cause is the point I have in view.

Previous to the year 1797, when the banks of England and Ireland, were restrained from issuing cash, bank notes were representatives of real property, or at least in a very great measure they were so. A five-pound note was a representative of five pounds of gold or silver in the coffers of the bank, from which it was issued, or otherwise, of five pounds of a bill or other security, which was payable to that bank at a specified time, in hard cash. No banker, then, with safety, could issue any note without being in possession of specie in one of the two ways mentioned for the purpose of taking up that note when payment would be demanded. On this account a bank note was worth as much in gold and silver as was specified on the face of it; or in other words, it bore no discount; the confidence the public had,

that they could procure payment in gold for the notes, whenever they required it, induced them to take them at full value; and they were then as good value to take to market as Gold, and much more convenient, as they were much more easy of transport, and the trouble of weighing guineas, and the risk of having them light was done away: and had those circumstances continued, the rise or fall of the value of money would have been perfectly equal, whether notes or guineas had been taken as the rule of comparison. But the case was materially altered when the banks were restricted in their cash issues, and no restraint laid upon the issue of notes. Then immediately the discount upon notes commenced, and Guineas, compared with Notes, bore a higher price, and on this circumstance arose the first symptoms of the depreciation of notes,* and to it do I attribute the entire banishment of gold and silver, as a circulating medium, from which two very important consequences have followed, namely, that the banishment of gold and silver from circulation, has not only lowered the value of notes compared with gold and silver, but the unrestrained issue of notes has also lowered them in comparison with labour and the necessities of life. As I shall hereafter make plainly appear by quoting the prices of various articles in 1794 and 1814, a lapse of 20 years. To elucidate this subject, it may not be unnecessary to give a short history of that most important event, the Bank restriction law, which I shall do in the words of an

enlightened and liberal historian, by which event, and the consequences which have followed, I think it will evidently appear, that bank notes have been greatly depreciated in value, and that to a greater amount by making the comparison between them and labour and the necessities of life, than between them and the precious metals.

Mr. Belsham after stating, that in the year 1795, the governors and directors of the Bank of England had remonstrated with Mr. Pitt, that the large advances made to government in specie, was likely to ruin the bank, and that he must not rely on any further aid from them, goes on to say, that the reiterated demands from Mr. Pitt, appear to have occasioned extreme uneasiness in the breasts of the directors of the bank, who neither know how to comply or refuse. In the month of July, having applied for two advances of £800,000, cash, one immediately, and the other in the course of the month, the court of directors complied reluctantly to accommodate the treasury with the first of these sums, but signified their disapproval of the second demand. Mr. Pitt on receiving the resolution from the governor, said, he was obliged to the court for what they did grant, of which he would accept; but added, it would be of no material use, unless the other requisition was complied with; and again urged the court to advance the second sum of £800,000, adding his further and earnest request that the bank would also make provision for the payment of such treasury-bills as may become payable in the months of August, September, and October, in default of which the most seriously distressing embarrassments to the public service must arise. The court on receipt of the letter, agreed, with great reluctance and contrary to their wishes, to adopt their own words, to advance the second sum of £800,000, and also to provide for such bills as might fall due in August, but not afterwards; and upon this condition, that the Chancellor of the Exchequer will adopt a new mode of paying treasury-bills immediately on the meeting of Parliament, as the court declared themselves determined not to continue the present mode of paying them any longer. This resolution was accompanied with an excellent memorial to Mr. Pitt, for the express purpose of laying before his Majesty's cabinet council. In this serious and solemn remonstrance, as they term it, the directors

* Among the many quotations made by your contemporary from Dr. Adam Smith, he has neglected the following: "It would be otherwise indeed with a Paper-money consisting in promissory notes, of which the immediate payment demanded in any respect, either upon the good will of those who issued them, or upon a condition which the holder of the notes could not always have it in his power to fulfil, or of which the payment was not exigible till after a certain number of years, and which in the mean time, bore no interest. Such a Paper-money would no doubt fall more or less below the value of gold and silver, according to the difficulty or uncertainty of obtaining immediate payment, was supposed to be greater or less; or according to the greater or less distance of time at which payment was exigible."

declare, that nothing could induce them under the present circumstances to comply with the demand now made upon them, but the dread that the refusal might now be productive of a greater evil, and nothing but the extreme pressure and exigency of the case can in any shape justify them in acceding to this measure; and they apprehend that in so doing, they render themselves totally incapable of granting any further assistance to government during the remainder of the year, and unable to make the usual advances in the land and malt taxes for the ensuing year, should those bills be passed before Christmas; they likewise consent to this measure on the firm reliance, on the repeated promises so frequently made to them, that the advances on the treasury-bills should be completely done away, being actually fulfilled at the next meeting of Parliament, and the necessary arrangements taken to prevent the same ever occurring again; as they conceive it to be an unconstitutional mode of raising money, what they are not warranted by their charters to consent to, and an advance always extremely inconvenient to themselves. This memorial which might have sufficed to alarm any minister less daring in his schemes of mischief, seemed to have no sort of effect, and the requisitions of Mr. Pitt, were still as urgent as ever. On the 1st of February, 1797, the governor and deputy governor waited on him, in order to represent how uneasy the court were at their large advances to government, and especially on account of the treasury-bills paid, which, now amounted to £1,554,635, and would in a few days be augmented to £1,819,818, and required that some effective measures should be immediately taken for the payment of the whole sum as had been seriously promised them at the opening of the year. After much shuffling, Mr. Pitt, engaged that £150,000 should be paid off every week of the arrears of treasury-bills; at the same time hinting, that new bills to the amount of £700,000 had appeared from St. Domingo, on which the governor expressed great apprehension, and begged of Mr. Pitt, that he would put off the acceptance of them, acknowledging that a further drain of cash from the bank would be very dangerous, as the quantity of specie had of late been very materially diminished.

Things seemed now to be coming fast to a crisis. On the 10th of February, Mr. Pitt proposed a loan for Ireland of

£1,500,000; at an interview on the 18th, the governor told him that such a scheme must have the worst effect possible, and that it would cause the ruin of the bank, for that such a loan raised in England, would all be sent in money to Ireland, and would drain much of our specie from us; and at a meeting of the committee next day, the governor was enjoined to assure Mr. Pitt, that under the present state of the bank's advances to government, such a measure would threaten ruin to the house, and most probably bring them to the necessity of shutting up their doors; he nevertheless declared to the governor, that he found it a measure of government absolutely necessary, notwithstanding the difficulties and dangers they foresaw in the execution of it.

At this time, various apprehensions in the public mind occasioned a run upon the bank, which much alarmed the directors, and Mr. Pitt having completely subdued their spirit, a board of council was held, and an order issued, prohibiting the directors from issuing any cash in payment till the sense of Parliament could be taken on the subject.

On the following day, the order of council was laid before the two houses of Parliament, with a message from the king, stating, that an unusual demand for specie having been made from different parts of the country on the metropolis, it had been found necessary to make such an order to the directors of the bank; committees of secrecy were appointed to investigate the affairs of the bank, but a motion of Mr. Sheridan's to inquire into the causes which have produced the order was negatived by the minister's usual majority.

Upon the report of the committee being made known, it appeared that the amount of demands upon the bank was £1,370,000, that the assets, exclusive of the permanent debt due from government amounted to £17,597,000 so that there remained a surplus of £5,826,000 exclusive of the sum of £11,600,000 in the three per cent. stock lent at different times to government on Parliamentary security; this being estimated at 50 per cent. agreeably to the then price of 5 per cents, the whole of the capital vested in the corporation of the bank amounted to £9,626,000. A bill was forthwith introduced, confirming the order of council, and suspending the law for preventing the issue of notes under five pounds value; in consequence of which, the circulation of specie was suspended,

and the kingdom inundated with 40s. and 20s. notes.

Mr. Fox perceiving the ruinous consequences of this law, proposed, that the bank should be prohibited from making any advances to government, by which the existing debt should be increased during the existence of the present act; but this was also lost at the instance of the minister, by which means, the bank was now converted into an engine of state, and a convenient tool in the hands of the minister, to enable him to carry on his ruinous projects.

The ministry in this affair, found means to impose upon the public relative to the true cause of the restrictions on the bank; from the circumstances as related above, it must appear, that it was the enormous sums which had been drained from the bank by the government, which had raised the apprehensions of the people for its stability, and therefore caused the great run to be made upon it, yet they continued to make it appear, that it was that run upon the bank which had produced the order in council, when it is evident, that it was in consequence of the remonstrances made by the governor and directors to Mr. Pitt, respecting the large advances to government, which was the true cause.

In the report of the committee, they failed to state what quantity of specie was in the bank; they merely stated that its assets amounted to £2,826,000. Now we may reasonably conclude, that these assets consisted chiefly of Merchants' Bills, and other securities in paper; and the £5,800,000 in the three per cents. was also paper securities; so that the notes they were in future to issue, were not the representatives of gold and silver in the coffers of the bank, but they were merely the representatives of the paper securities held by the company from the government and the merchants; and since they were to issue no more cash in payments, the bills they held from the merchants they could not expect would be paid in any other medium but their own notes, and any gold that was in circulation might become an article of commerce, as turned out to be the fact; for the merchants in place of paying their bills in specie, paid them generally in notes, and exported the guineas to the Continent, or sold them to the agents of government for the purpose of subsidizing foreign

powers, or paying their continental armies.

But the evil does not stop here, the bank being unrestrained in its issue of notes; and not being under any apprehensions for paying them, have carried their paper issues to such extremity, that the whole community has been affected by it, and money now bears quite another and a lower value than was ever known before; this is a necessary consequence of paper credit being carried to extremes. As it relates to ourselves at home, it would be of little consequence, as it would no otherwise affect us than if gold and silver bore an undervalue; but as we stand related to other nations, the effect is most destructive. In this country, if money be cheap, consequently the necessities of life, and the implements of industry will be dear, which will naturally affect us with our manufactures in a foreign market, and competition with those manufacturing countries where money bears a higher value, we cannot bear; the low value of money, and the extravagant taxes we are subject to, will raise the price of every article of manufacture to such a pitch, that the countries where money bears a high value: and where taxes are comparatively low, will be able to rival us in the most essential point, that is, in the cheapness with which they will be able to bring their goods to market.

Had Mr. Fox's motion been agreed to, the inconveniences would not have been so great. If the bank had been restrained from making any advances to government, so as to increase the debt already due to them, there would not have been the same incitement to issue so many notes, as there would not have been so great a demand for them; and the government would then have been obliged to come to some accommodation with our enemies; but since they were allowed to augment the debt, they still consider themselves safe and justifiable in issuing notes in proportion to their advances to government, considering every loan as an increase of their capital, they not being obliged to make any provision for the notes in cash. Here then has arisen the very consequences deprecated by David Hume; namely, too great an abundance of the circulating medium, and too great an extension of paper credit. After remarking that the great increase of riches in a manufacturing country, generally banishes manufac-

turers to countries less rich, to which they are allured by the cheapness of provisions and labour, he has these words, this has made me entertain a doubt concerning the benefit of banks and paper credit, which are so generally esteemed advantageous to every nation; that provisions and labour should become dear by the increase of trade and money, is in many respects an inconvenience that is unavoidable, and the effect of that public wealth and prosperity which is the end of all our wishes. It is compensated by the advantages which we reap from the possession of the precious metals, and the weight which they give the nation in all foreign wars and negotiations. But there appears no reason for increasing that inconvenience by a counterfeit money which foreigners will not accept of in any payment, and which any great disorder in the state will reduce to nothing." Here then Mr. Hume seems hostile to that degree of paper credit which seemed increasing in his day, even before paper became the *entire* circulating medium, but merely that credit which bankers thought themselves safe in pushing beyond the amount of specie in their coffers; and he further says, "to endeavour artificially to increase a paper credit, can never be the interest of any trading nation, but must lay them under disadvantages by increasing money beyond its natural proportion to labour and commodities, and thereby heightening their price to the merchant and manufacturer." Farther, "I scarcely know," says he, "any method of sinking money below its level, but those institutions of banks, funds, and paper credit, which are so much practised in this kingdom. These render paper equivalent to money, circulate it through the whole state, make it supply the place of gold and silver, raise proportionably the price of labour and commodities, and by that means banish a great part of those precious metals, or prevent their farther increase."

"What pity that Lycurgus did not think of paper credit when he wanted to banish gold and silver from Sparta! It would have served his purpose better than the lumps of iron he made use of as money;

and would also have prevented more effectually all commerce with strangers as being of so much less real intrinsic value."

Thus, Sir, has Mr. Hume spoken of the paper credit of his day, because he conceived it lowered the value of money, and raised the price of our manufactures; and of course would injure us in a foreign market where the same species of manufacture should be brought from a country where money bore a higher value; this he took up merely from the quantity of paper which was then in circulation, though the bankers were obliged to provide for the payment of their notes in specie. What would he say were he alive at the present day, when the banks of England and Ireland may issue what quantity of paper they please, and are not bound to pay in gold or silver? Where their notes are very nearly a legal tender, and where private bankers may make all payments for *their* notes in those of the national banks, would he not say, that by means of those two mints of paper, the managers and the masters of which are principally composed of traders, that they would manufacture and issue so many of them as would seriously affect the country, and make money so cheap, that we could bear no competition with foreign countries, where gold and silver continued to be the circulating medium? This, I am convinced, would have been his opinion; but supposing your contemporary considers Mr. Hume to have been too much of the Old School to attend to his opinions on the subject, let him look to the facts, let him examine into the prices of labour and the produce of the ground previously to the bank restriction law in 1797, and at the present day; and if he finds that the same quantity of labour, and the same quantity of provisions, can be obtained for as little money now as they would have been procured for 18 or 20 years ago, then I will admit, that bank notes have suffered no depreciation; but on the contrary, if we must now pay more for labour and the produce of the land in our own country, I must insist that his reasoning should pass for nothing, and that bank notes are lowered in value.

PRICES OF LABOUR AND SUNDRY KINDS OF PROVISIONS, IN THE YEARS 1794, AND 1814.

1794.

1814.

L. s. d. L. s. d.

L. s. d. L. s. d.

Firkin Butter,.....	3 2 0 to 3 12 0 per 112lb.	6 4 0 to 0 0 0 per 112 lb.
Oatmeal,.....	0 11 10 to 0 12 6 do.	0 16 0 to 0 17 0 do,

1794.						1814.					
	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.
Oats,.....	0	6	4 to 0	0	0	do.	0	9	0 to 0	9	6
Barley,.....	0	6	4 to 0	0	0	do.	0	10	6 to 0	12	6
Wheat,.....	0	10	6 to 0	11	6	do.	0	15	0 to 0	16	0
Beef,.....	1	7	0 to 1	10	0	per 120lb.	2	10	0 to 3	5	0 per 120lb.
Cow-hides,.....	1	2	0 to 1	5	0	do.	2	15	0 to 3	0	0
Pork,.....	1	6	0 to 1	8	0	do.	4	5	0 to 4	12	0
Potatoes,.....	0	0	10	0 to 0	10	per bushel	0	1	2 to 0	1	4 per bushel.
Rough Tallow,....	0	5	6 to 0	6	0	per 16lb.	0	11	0 to 0	12	0 per 16lb.
Salted Calf-skins,..	1	0	0 to 1	5	0	per 120lb.	3	5	0 to 3	7	0 per 120lb.
Fresh Butter,.....	0	0	8 to 0	0	9	per 18 oz.	0	1	6 to 0	1	8 per 18oz.
Beef,.....	0	0	4 to 0	0	4	per lb.	0	0	7 to 0	0	10 per lb.
Mutton,.....	0	0	4½ to 0	0	5	do.	0	0	8 to 0	0	10
Veal,.....	0	0	4 to 0	0	4½	do.	0	0	8 to 0	0	10
Whiskey,.....	0	5	0 to 0	0	0	per gal.	0	11	3 to 0	12	0 per gal.
English Coals,....	0	18	0 to 0	0	0	per ton.	1	7	0 to 1	8	0 per ton.
Scotch do....	0	17	0 to 0	0	0	per do.	1	7	0 to 0	0	0
Brick,....	0	11	4½ to 0	13	0	per 1000.	1	6	0 to 1	9	0 per 1000.
Lime,.....	0	1	1 to 0	0	0	per barrel.	0	1	10 to 0	2	0 per barrel.
Bricklayer's wages, 0	11	4½ to 0	0	0	0	per week.	1	2	9 to 1	4	0 per week.
Carpenter's do....	0	9	0 to 0	11	4½	do.	1	2	9 to 0	0	0
Labourer's do....	0	1	1 to 0	0	0	per day.	0	2	2 to 0	0	0 per day.
Shoemaker's do... 0	1	4 to 0	0	1	6	per pair.	0	3	2 to 0	3	6 per pair.
Bootmaker's do... 0	5	3 to 0	3	6	do.	0	9	9 to 0	11	4½ do.	
Country servts do. 4	0	0 to 0	0	0	0	per year.	8	0	0 to 9	2	0 per year.
Chandler's do...20	0	0 to 22	15	0	0	do.	40	0	0 to 45	10	9 do.
Tailor's do.... 0	12	0 to 0	0	0	0	per week.	1	1	0 to 1	2	9 per week.
Baker's do... 0	5	0 to 0	5	5	do.	0	11	4½ to 0	18	0	do.

In the above statement, I have by no means taken the year 1794 as a cheap year, as many articles then bore a higher price than they did at an earlier and a later period, particularly the articles of beef and pork, both of which, in the year 1796, were bought from 20s. to 22s. 9d. per cwt. and we all know that last year we had abundant crops, and in consequence of the great plenty of potatoes, both flour and oatmeal has been considerably cheaper than they have been for three years before; yet, upon an average, it will be found that the prices are more than doubled, which proves fully to my satisfaction, the bank notes are not worth 10s. in the pound, compared with their value in 1794, and that the true depreciation cannot be discovered by comparing them with the precious metals.

Perhaps it may be said, that the increase of trade, and population, and the war, may have been the cause of the rise in the price of labour and provisions; but the year I have taken as the lowest in the scale of prices, was the year after the commencement of the war, and would naturally be the higher on that account, as there had not been the same encouragement to farm-

ers in the foregoing years of peace to raise produce; and the market could not be expected to be well stocked at that time, which circumstance does away the latter observation, and as to the former, I conceive that they have been fully provided for by the vast improvements in agriculture, and the greater quantity of land under culture for some years back. In the article of pork, for instance, the increase has been much more in proportion, than the increase of population, as I have no doubt there has been for some years back, six times the quantity produced which had been raised in 1794, and the price has been raised only from three to four times.

In the above statement, I have forbore to take notice of any article of wages immediately connected with the war, as coopers, rope-makers, sailors, ship-carpenters, canvas-weavers, &c., as such wages must rise in consequence of the war alone; for the same reason, I have not mentioned any article of foreign produce, but merely those necessaries of life which are produced in our own country, and not having confined myself to "a solitary comparison of bank notes with gold,

as an article of commerce," I conceive I have "formed some sound deductions as to the relations which a paper currency may have with other articles of life," and have fairly proved that bank notes have not been depreciated in value so much, compared with gold, as they have in comparison with labour and the prime articles of life, the produce of our own country, which is the proper criterion by which to try the real value of bank notes, and even of gold itself.

Your contemporary has also attempted to prove that the real cause of the scarcity and dearth of gold and silver arises from the large quantities used in different manufactures, &c. which I think I shall be able to show is equally fallacious or inconclusive.

Of eleven different causes which he assigns, there appears to me to be but one which carries any weight with it, and that I have already mentioned myself, that of the drain made by government for subsidizing foreign powers, and paying our armies abroad; all the rest have no reference to the subject at the present time, more than they had prior to the Bank Restriction Bill, and some of them do not now exist at all, which I shall mention in the order as they appear in his essay.

First, Then the gold and silver used in gilding and plating has diminished since the bank restriction law, as there are many articles which were worn then, that have ceased to be worn now.

Second, There are no more, but less gold and silver used now in the manufacture of gold and silver stufs, or draperies, than before the bank restriction law.

Third, The annual demand for solid plate is greatly diminished of late years, as persons in genteel life, by using plated for plate utensils, can follow the fashions with more economy, as a plated article can be had for less than the fashion of a plate one would cost, and instead of the side boards of our gentry groaning with solid plate, they are content with plated goods; still the demand could not be greater now than in 1796.

Fourth, The trade with China in two articles is greatly diminished, if not entirely laid aside; no Nankeens are imported, and very little Porcelain.

Fifth, Our trade with the East Indies is not greater than before the bank restriction law, and in one article almost entirely extinguished, that of piece goods.

The cotton manufacture has been brought to such perfection, as to preclude the importation of most articles in that line, and as for the few silks that are imported, they bear no proportion to what has hitherto been brought from India.

We now come to the causes which he assigns for waste or subduction. First. The emigration to America has been almost entirely stopped, nor has it been so great since the bank restriction law, as before it; as the regulations which have been made respecting emigration curbed it not only by preventing mechanics, but by regulating the tonnage of the vessels, and restricting them to a certain number, by which means many have been prevented going to America, in consequence of the expense of the passage being raised.

Second, The wear and tear of plate has not been greater now than before the Bank Restriction Law.

Third, There has been no greater loss by transporting the precious metals by sea and land, than there was before the Bank Restriction Law, nor has there,

Fourth, been a greater subduction by avarice, locking up, or timidly burying, now than before the Bank Restriction Law; but, on the contrary, many have broken up their hoards, not being able to withstand the temptation of sometimes getting ten guineas for six.

Fifth, The loss by Birmingham shillings was much greater before the Bank Restriction Law, than since, as none of them have been in circulation for at least nine years.

Sixth, The subsidies paid to Foreign princes, and to our Continental armies; this is the only one to the point, but the reason given for its not returning, is fallacious; for were the reason merely the difference of the real value of gold as bullion, and the value affixed to it as money, it could soon be reduced to the state of bullion, by melting, as there is no law on the Continent against melting or defacing our coins.

Here then, Sir, evaporates into thin air ten out of eleven of your contemporary's arguments, and leaves only one behind; but indeed it must be contested, that it has great weight, and had it been applied by him in the proper manner, would have saved me the trouble of writing what I consider, and what I fear your readers may consider a very dry Essay; for I think it must appear, that the very last reason which he has given for induc-

ing a scarcity of coin in the country, was the original cause of all the misfortunes which have arisen, and may arise, to the country, from the ruinous system of carrying to extremes a mischievous paper-currency, on which flimsy foundation stands the prosperity, nay the safety of the whole nation.

Before I conclude, however, I cannot help making a remark upon the equitable plan he has suggested for enabling the bank to pay their notes in guineas; he says, "It cannot be expected that the government of the bank would purchase bullion at £.60 the pound weight, and issue it out in guineas at £.46 14s. 6d.; but when the Parliament shall have thought proper to make frequent revisions of the state of the coin, and assign to guineas the same or greater value per weight, as commerce shall from time to time have given to bullion; then may the bank safely and wisely resume its payment in gold." Now, Sir, what does this amount to? Your contemporary, in his anxiety to get the bank rid of this difficulty, proposes to the government to rob the creditors of the bank of one half of their demands upon it—for where is the difference? If I lend a banker money, and allow him to keep it a long time, say 20 years in his possession; that in the course of that 20 years he has conducted his business in such a manner, that when I demand my money, say 1000 guineas; No, says he, I can't give you a 1000 guineas of the weight they were when I borrowed them from you; but if you please, I'll give you 1000 of my own notes; and if that does not please you, I'll cut 200 guineas in two, and tell them out in toto to you. Were this the plan to be pursued by government, how would the governor and company of the bank themselves feel? They are largely the creditors of the government; they hold large properties in the public funds. Now if the government found a difficulty in paying the interest, and the above doctrine once established, what had they to do but to mulct the bank of the money of the interest; and in place of three per cent. pay them one and a half per cent. It is hard to say, however, what may be the result.

I am, Sir,

Yours, &c.

COLUMBUS.

REPORT OF A TRIAL OF AN ACTION, ROBERT TENNENT AGAINST EDWARD MAY.

In this country, all who are alive to the constitutional administration of the law, were interested in the trial of Robert Tennent at the Quarter Sessions at Antrim, in last October. A full, impartial, and uncontradicted account of that trial was given in the Belfast Magazine for that month, at page 312 of our Xth Volume, to which we again request the attention of our readers. It comes within our knowledge to assert, that our report of the trial produced a strong sensation in distant places, where the parties were altogether unknown, from the struggle of constitutional and unconstitutional considerations manifested on that trial, which greatly increased the importance of the subject, and gave to it an interest among the friends of freedom.

A public meeting of the inhabitants of Belfast was held to consider of an outrage, by which the streets had been stained with blood. A farther object was in view, to express disapprobation of the system of Orangemen, who by their irritating processions, and their continual insults at fairs and markets, and on public and private occasions, against a numerous class of their neighbours, necessarily endanger the public peace, and by committing the first aggressions, are the prime movers in the riots which have so frequently succeeded. The object of the meeting was highly praiseworthy, and essentially peaceable. But the sovereign of the town belonged to the faction, and a confederacy was formed to defeat the purposes of the meeting. The occasion for disturbance which was not found, was soon made, and Robert Tennent's laying his hand gently on the Rev. Edward May's arm was construed into an assault.

Robert Tennent conscious of having committed no intentional assault, and desirous of bringing the merits of the case once more before the public, on constitutional grounds, commenced an action for damages against the Rev. Edward May, for the violent manner in which he had been arrested. This action came to be tried at the late assizes for the County of Antrim, at Carrickfergus, before Baron McClelland, and the following special jury.

John Cromie,	Alex. Davidson,
Samuel Allen,	Wm. Moore,